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SENSITIVE  
SIPDIS

STATE FOR ISN/ECC - YWONG, ACHURCH, NJOHANSON, AND ROWEN  
STATE FOR EAP/TC - MTOYRYLA, DPARKER  
STATE FOR ISN/MTR - PDURHAM, SBOYER, JMAYES, AND RPALMIERO  
DHS/CBP/INA FOR MAWATT  
DOE/NNSA/INECP FOR TPERRY AND SJONES

E.O. 12958: N/A

TAGS: [ETTC](#) [MNUC](#) [PARM](#) [PREL](#) [KSTC](#) [KNNP](#) [TW](#)

SUBJECT: EXBS: TAIWAN MONTHLY REPORTING CABLE - JUNE 2009

II. BROAD ITEMS OF INTEREST TO ADVISORS AND AGENCY MANAGERS:

(U) During the week of June 22, the Advisor represented EXBS at the UNSCR 1540 Southeast Asia Regional Workshop. The Workshop provided a forum for discussion on ways and means to enhance national capacity in export and border controls on a regional basis. Representatives from the governments of Afghanistan, Bangladesh, India, Maldives, Nepal, Pakistan, and Sri Lanka participated in the program. 1540 Experts from Italy and France, a 1540 Coordinator from State/ISN/CPI, and representatives from the International Atomic Energy Agency, the European Commission, Monterey Institute of International Studies, University of Georgia Center for International Trade and Security and EXBS were presenters.

II. COMPLETED ACTIONS FOR THE REPORTING PERIOD

IA. MEETINGS DURING THE REPORTING PERIOD:

(SBU) 1. On June 16, the Advisor met with Chen, Ching-Chih, Director of Export/Import Administration Division, Bureau of Foreign Trade (BOFT) of the Taiwan Ministry of Economic Affairs to discuss the following three topics:

i. Technology Controls

(SBU) Taiwan's Strategic High-Tech Commodity List (SHTC) includes technology as a category of items that is controlled, but the regulations refer only to commodities. AIT and BOFT have been discussing this discrepancy for two years without resolution. This requires a technical fix to the regulatory language - it does not change the scope of SHTC.

ii. Internal Control Program

(SBU) On July 13 - 14, AIT will hold the last of the currently funded ICP deployment workshops. Taiwan-specific ICP development took close to one year and the use of a huge amount of resources from both U.S. and Taiwan sides. BOFT has stated that it will continue ICP workshops once the U.S.-supported workshops conclude and AIT wants to ensure proper resources are allocated to continue the program.

iii. Non-governmental organization

(SBU) Taiwan is conducting an initial study on establishing a non-governmental organization much like the Center for Information on Security Trade Controls (CISTEC) of Japan and the Korea Strategic Trade Institute (KOSTI) to support its work on export controls. Similar to CISTEC and KOSTI, the Taiwan NGO could be used to organize interagency meetings, conduct industry outreach, continue internal control program workshops, and research substantive export control topics to provide policy guidance to Taiwan officials. The NGO could also be a non-controversial vehicle through which Taiwan could participate in international nonproliferation gatherings.

(SBU) During the meeting, the Advisor recommended that BOFT host a roundtable discussion on the above topics in order to get different perspectives on the issues and support for its export control work. The Advisor recommended that the roundtable include Taiwan authorities and members of the non-governmental sector involved in export controls.

(SBU) In a meeting with the Director General Huang Chih-Peng (Franco) of BOFT on June 30, the Econ Chief raised the same points and again urged BOFT to gather internal and external stakeholders for an open discussion on the topics. DG Huang agreed to hold a roundtable. (Note: On July 7, the Advisor met with the outgoing head of the Export Control Task Force to begin planning for the roundtable currently slated for late August.)

(SBU) 2. On June 16, the Advisor met with officials of the Ministry of Justice Investigation Bureau (MJIB) to get an update on export control enforcement actions. MJIB officials stated that the lead investigator on export control cases transferred to another office and the new section head has not yet arrived. They stated there are no current export control investigations. They further stated that since the beginning of 2009, MJIB resources have been diverted to investigating public corruption cases and to providing security for the Kaohsiung World Games in mid-July. Their hope is that when the new section head comes on board, export control investigations would again be a focus.

(SBU) During the conversation, MJIB officials said it is difficult to get satisfaction from working on export control cases because industry does not take export control laws seriously, especially during this economic downturn, and because prosecutors are not willing to take the cases. Also, the more MJIB investigates companies, the more creative they become in circumventing the law, such as using China, Malaysia, and Cambodia as transit routes. Another avenue through which companies circumvent the law is to close the company when it is under investigation and establish a new one. (Note: Taiwan export control regulations do not have a related-party provision similar to the Export Administration Regulations.)

(SBU) From an investigations perspective, the most difficult part is gathering evidence; i.e. a paper trail on transit and transshipment of controlled commodities through third countries. Due to its political status, Taiwan is not in a position to request investigative information or assistance from other governments.

(SBU) Currently, export control violations are not felonies. (Note: A bill to increase the criminal penalties, thereby classifying them as felonies, has been languishing in the Legislative Yuan for several years.) Although investigators work with prosecutors, prosecutors have their own priorities. More often than not, export control violations are not priority cases for prosecutors.

(SBU) The Advisor let MJIB officials know that EXBS is working on a prosecutor training program which she hopes to implement before the end of CY 2009. The officials said such a program would aid the prosecutors in understanding the importance of export control cases.

#### B. BLUE LANTERN:

None.

#### III. TRAINING CONDUCTED DURING REPORTING PERIOD:

(U) None.

#### IV. UPCOMING TRAINING:

1. (U) An ICP Deployment Workshop is scheduled to take place in Taipei on July 13-14.

2. (U) A Commodity Identification Training program, implemented by the Department of Energy, is scheduled for August 12-14 in Taipei.

3. (U) An ICP Administrator Training is scheduled for August 27-28 in Taipei.

IV. RED FLAG ISSUES:

None.

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